

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of
12 THE CALIFORNIA CORPORATIONS
13 COMMISSIONER,

14 Complainant,

15 v.

16 MICHAEL D. VESSEY, an individual,

17 Respondent.
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) OAH NO.
) FILE NO. 923-2294
) STIPULATION

21 This Stipulation is entered into between Respondent Michael D. Vessey ("Vessey"), on the
22 one hand, and the California Corporations Commissioner ("Commissioner"), on the other hand, and
23 is made with respect to the following facts:

24 RECITALS

25 A. On December 4, 1990, the Commissioner issued an investment adviser certificate to
26 Trendwise Financial, Inc. ("Trendwise"). Trendwise was a California corporation, incorporated in
27 September 1990. Trendwise at all relevant times was located at 232 North Lake Avenue, Suite 220,
28 Pasadena, California, 91101.

1 B. At all relevant times, Vessey was the Chief Executive Officer, President and owner of
2 Trendwise. In March 2005, Trendwise's investment adviser certificate was surrendered.

3 C. On February 16, 2006, the Commissioner served Vessey by personal service: 1) a Notice of
4 Intention to Issue Order Barring Michael D. Vessey from any Position of Employment, Management
5 or Control of any Investment Adviser, Broker-Dealer or Commodity Adviser Pursuant to
6 Corporations Code Section 25232.1, 2) Statement to Respondent; 3) Accusation to Bar Michael D.
7 Vessey (Corporations Code Section 25232.1); 4) Notice of Defense; and 5) Government Code
8 Sections 11507.5, 11507.6 and 11507.7.

9 D. On or about February 27, 2006, Vessey filed the Notice of Defense with the Commissioner
10 requesting a hearing on the above referenced matter.

11 It is the intention and desire of the parties to resolve this matter without the necessity of a
12 hearing and/or other litigation.

13 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
14 forth herein, the parties agree as follows:

15 **TERMS AND CONDITIONS**

16 1. Vessey stipulates to an Order barring Vessey for 5 years from any position of
17 employment, management or control of any investment adviser, broker-dealer or commodity adviser
18 pursuant to Corporations Code Section 25232.1, which must be entered into the Investment Adviser
19 Registration Depository ("IARD") and Central Registration Depository ("CRD").

20 2. The Commissioner will issue an Order barring Vessey for 5 years from any position of
21 employment, management or control of any investment adviser, broker-dealer or commodity adviser,
22 effective the date the Stipulation is entered. A true and correct copy of the Bar Order is attached and
23 incorporated as **Exhibit A**.

24 3. Vessey stipulates to the 5-year bar order without admitting or denying any of the
25 allegations contained in the Accusation. The Department, however, makes no representation that a
26 license will be automatically issued after five years.

27 4. Respondent acknowledges his right to an administrative hearing under the Corporations
28 Code in connection with the bar and waives his rights to a hearing, and to any reconsideration,

1 appeal, or other rights which may be afforded pursuant to the Corporations Code, the California
2 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law
3 in connection with this matter herein. Furthermore, Respondent acknowledges that this Stipulation is
4 a public document.

5 5. The parties hereby acknowledge and agree that this Stipulation is intended to constitute a full,
6 final and complete resolution of this matter. The parties further acknowledge and agree that nothing
7 contained in this Stipulation shall operate to limit the Commissioner's ability to assist any other
8 agency, (county, state or federal) with any prosecution, administrative, civil or criminal, brought by
9 any such agency against Respondent based upon any of the activities alleged in this matter or
10 otherwise.

11 6. Each of the parties represents, warrants, and agrees that it has received independent advice
12 from its attorney(s) and/or representatives with respect to the advisability of executing this
13 Stipulation.

14 7. Each of the parties represents, warrants, and agrees that in executing this Stipulation it has
15 relied solely on the statements set forth herein and the advice of its own counsel and/or
16 representative. Each of the parties further represents, warrants, and agrees that in executing this
17 Stipulation it has placed no reliance on any statement, representation, or promise of any other party,
18 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
19 other person or entity to make any statement, representation or disclosure of anything whatsoever.
20 The parties have included this clause: (1) to preclude any claim that any party was in any way
21 fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parole
22 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

23 8. This Stipulation is the final written expression and the complete and exclusive statement of all
24 the agreements, conditions, promises, representations, and covenants between the parties with
25 respect to the subject matter hereof, and supercedes all prior or contemporaneous agreements,
26 negotiations, representations, understandings, and discussions between and among the parties, their
27 respective representatives, and any other person or entity, with respect to the subject matter covered
28 hereby.

11. Each signator hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Stipulation.

PRESTON DuFAUCHARD
California Corporations Commissioner

By ALAN S. WEINGER
Supervising Attorney

By MICHAEL D. VESSEY, as an individual

7.27.06 .2006:

By STÉPHANIE CHMURA, ESQ.
Attorney for Respondent Michael D. Vessey

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) OAH NO.

) FILE NO. 923-2294

) ORDER BARRING MICHAEL D. VESSEY
) FOR FIVE YEARS FROM ANY POSITION
) OF EMPLOYMENT, MANAGEMENT OR
) CONTROL OF ANY INVESTMENT
) ADVISER, BROKER-DEALER OR
) COMMODITY ADVISER PURSUANT TO
) CORPORATIONS CODE SECTION 25232.1

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1 Pursuant to a Stipulation entered into between the California Corporations Commissioner
2 ("Commissioner") and Michael D. Vessey ("Vessey") on July 24, 2006, Vessey is hereby barred for
3 five years from any position of employment, management or control of any investment adviser,
4 broker-dealer or commodity adviser, **effective July 24, 2006.**

5 Pursuant to the terms of the Stipulation, Vessey stipulates to the bar order without admitting
6 or denying any of the allegations contained in the Accusation. The Department, however, makes no
7 representation that a license will be automatically issued after five years.

8 Dated: July 24, 2006

PRESTON DuFAUCHARD
California Corporations Commissioner

9 Los Angeles, California

10 By
11 ALAN S. WEINGER
12 Supervising Attorney

